(Securities Code: 6965)
November 26, 2015

To Our Shareholders

Akira Hiruma, President and CEO
Hamamatsu Photonics K.K.
1126-1, Ichino-cho, Higashi-ku
Hamamatsu City, Shizuoka Prefecture

NOTICE OF CONVOCATION OF THE 68th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 68th Ordinary General Meeting of Shareholders of Hamamatsu Photonics K.K. (the "Company"), to be held as follows.

If you are unable to attend the meeting, you may exercise your voting rights in Writing or by Electronic Means (via the Internet,etc.). Please read the attached REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS, and exercise your voting rights by 5:00 p.m., Thursday, December 17, 2015, Japan Time.

1. Time and Date: 10:00 a.m., Friday, December 18, 2015

2. Place: ACT CITY HAMAMATSU Concert Hall
111-1, Itaya-machi, Naka-ku, Hamamatsu City,
Shizuoka Prefecture

3. Agenda of the Meeting:

Matters to be reported:

1. Reports on the Business Report and the Consolidated Financial Statements for the 68th Fiscal Year (From October 1, 2014 through September 30, 2015), as well as Results of the Audits of the Consolidated Financial Statements by the Independent Auditors and the Audit & Supervisory Board
2. Report on the Non-consolidated Financial Statements for the 68th Fiscal Year (From October 1, 2014 through September 30, 2015)

Matters to be resolved:

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Election of 14 Directors

4. Matters Regarding the Exercise of Voting Rights:

(1) If you exercise your voting rights in Writing, Please indicate your approval or disapproval of each of the proposals on the enclosed Voting Rights Exercise Form, and return it so that it will reach us by 5:00 p.m., Thursday, December 17, 2015, Japan Time.

(2) If you exercise your voting rights by Electronic Means (via the Internet, etc.), please refer to "Guide to the Exercise of Voting Rights by Electronic Means (via the Internet, etc.)" on page 8, access the Website for the Exercise of Voting Rights designated by the Company (http://www.web54.net), and then enter your approval or disapproval of each of the proposals by 5:00 p.m., Thursday, December 17, 2015, Japan Time.

(3) If there is no indication of approval or disapproval of the proposal on your Voting Rights Exercise Form, the Company shall deem that you have indicated your approval of the proposal.

(4) If you have exercised your voting rights more than once by electronic means (via the Internet, etc.), only the final exercise of the voting rights shall be deemed effective.

(5) If you have exercised your voting rights both by electronic means (via the Internet, etc.) and the Voting Rights Exercise Form, only the exercise of the voting rights by electronic means (via the Internet, etc.) shall be deemed effective.

(6) If you wish to exercise your voting rights by proxy on the day of the general meeting of shareholders, you may entrust its exercise to a single shareholder other than you who is also a shareholder of the Company with voting rights. In this case, a document certifying the relevant power of representation shall be presented together with your Voting Rights Exercise Form.

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1. For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk upon arrival at the meeting. For the purpose of resource-saving, please bring this notice with you.

2. Please note that "Systems to Ensure the Propriety of Business Operations and the operation status" of the Business Report, "Consolidated Statements of Changes in Net Assets and Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements and "Non-consolidated Statements of Changes in Net Assets and Notes to the Non-consolidated Financial Statements" of the Non-consolidated Financial Statements, which are generally provided with this Notice of Convocation of the Ordinary General Meeting of Shareholders, are not attached herein. Instead, these are published on our website (http://www.hamamatsu.com/ja/ir/index.html) in accordance with the applicable laws and regulations and Article 15 of the Articles of Incorporation (Japanese only).

3. If any amendment is made to the REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS or any attachments, the amended information will be posted on the Company's Website (http://www.hamamatsu.com/ja/ir/index.html).

REFERENCE DOCUMENTS
FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Company hereby proposes to appropriate the surplus as described below.

1. Matters Regarding Fiscal Year-end Dividend

The Company places the highest priority on distribution of results through dividends as a measure of returning profits to shareholders. Our basic dividend strategy outlines steadily increasing dividends through continuous growth in earnings per share by enhancing and strengthening its corporate earning capacity based on a long-term perspective. Furthermore, its policy is to achieve the stable increase of dividends, with dividend payout ratio of around 30% of consolidated net income.

On the other hand, to maintain its competitiveness based on advanced technical capabilities as the leading company in photonics, the Company believes long-term investment will be essential for the research and development necessary to achieve long-term growth of our corporate value and creation of the photon-based industries. To accomplish this, the Company also recognizes the importance of ensuring a certain level of funds on hand to provide for research and development investment and for capital investment. In addition, while the Company also regards funds on hand as a bulwark against earthquakes and other natural disasters and maintains a high level of retained earnings, it recognizes such funds contribute to the further enhancement of corporate value through business investment for the development of highly competitive future products.

Based on the above policy and a comprehensive review of various factors including its financial results, the Company proposes a year-end dividend of 19 yen per share. The amount of annual dividend will be 49 yen per share including an interim dividend of 30 yen we have already paid.

When translated into the equivalent value before the two-for-one stock split implemented in April 2015, the annual dividend will come to 68 yen per share, an increase of 13 yen per share from the prior fiscal year.

(1) Type of property for dividends:
Cash

(2) Allotment of property for dividends and total amount thereof:
19 yen per share of common stock of the Company for a total of 3,060,043,746 yen

(3) Effective date for distribution of dividends from surplus:
December 21, 2015

2. Other Matters Regarding Appropriation of Surplus

To reinforce its management base to prepare for business developments in the future, the Company proposes to make an account transfer as follows.

(1) Item of surplus to be increased and amount thereof:
General reserve: 6,000,000,000 yen

(2) Item of surplus to be decreased and amount thereof:
Retained earnings brought forward: 6,000,000,000 yen

Proposal No. 2: Election of 14 Directors

The terms of office of all 14 current Directors will expire at the conclusion of this Meeting. Accordingly, it is proposed that 14 Directors be elected. In addition, it is proposed to increase one Outside Director.

The candidates for Director are as follows.

No.	Name (Date of Birth)	Brief History, Positions and Responsibilities in the Company (Significant Positions Concurrently Held)	Number of Shares of the Company Held
1	Teruo Hiruma (September 20, 1926)	Sep. 1953 Director, the Company Nov. 1964 Representative Director and Senior Managing Director Oct. 1978 Representative Director and President Dec. 2004 Representative Director, Chairman of the Board and President Dec. 2009 Director and Chairman of the Board (present)	3,153,284
2	Akira Hiruma (November 10, 1956)	Oct. 1984 Joined the Company Oct. 2005 President, Hamamatsu Corporation Dec. 2009 Representative Director and President (present) (Significant Positions Concurrently Held) Director and President, Photonics Management Corp. Director, Hamamatsu Corporation Outside Director, Roland DG Corporation Director and President, Research Foundation for Opto-Science and Technology President, Hamamatsu Medical Photonics Foundation President, The Graduate School for the Creation of New Photonics Industries	150,500
	[Special interest relationship between the Company and the candidate for Director] Akira Hiruma, candidate for Director, concurrently serves as 1) Director and President, Research Foundation for Opto-Science and Technology, which has transactional relationships with the Company such as monetary contributions. 2) President, Hamamatsu Medical Photonics Foundation, which has transactional relationships with the Company such as monetary contributions and building rental. 3) President, The Graduate School for the Creation of New Photonics Industries, which has transactional relationships with the Company such as monetary contributions and sales of electronic components.		
3	Haruji Ohtsuka (October 1, 1934)	Nov. 1953 Joined the Company Dec. 1977 Director Dec. 1980 Managing Director Dec. 1987 Senior Managing Director Aug. 1993 Representative Director and Vice President Dec. 2004 Director and Vice Chairman of the Board Dec. 2009 Representative Director and Vice President (present)	2,062,156
4	Koei Yamamoto (October 20, 1945)	Mar. 1970 Joined the Company Jan. 1985 General Manager, Solid State Division (present) Dec. 1985 Director Dec. 1987 Managing Director Dec. 2004 Senior Managing Director Jul. 2005 Representative Director and Senior Managing Director (present)	93,200

5	Junichi Takeuchi (September 12, 1942)	Apr. 1958 Joined the Company Dec. 1989 Director Dec. 1993 Managing Director Dec. 2003 General Manager, Electron Tube Division (present) Dec. 2011 Senior Managing Director Dec. 2012 Representative Director and Senior Managing Director (present)	210,400
	[Special interest relationship between the Company and the candidate for Director] Junichi Takeuchi, candidate for Director, concurrently serves as 1) President, Beijing Hamamatsu Photon Techniques, Inc., which has transactional relationships with the Company such as sales and purchase of electronic components. 2) President, Photonics Group Health Insurance Association, which has transactional relationships with the Company such as building rental.		
6	Hitoshi Iida (December 18, 1946)	Mar. 1971 Joined the Company Dec. 2007 General Manager, System Division (present) Dec. 2008 Director Dec. 2010 Managing Director (present)	118,700
7	Kenji Suzuki (March 22, 1948)	Mar. 1966 Joined the Company Dec. 2009 Director Deputy General Manager, Electron Tube Division (present) Dec. 2012 Managing Director (present)	80,100
8	Mitsutaka Takemura (May 6, 1948)	Mar. 1973 Joined the Company Dec. 2009 Director Deputy General Manager, Solid State Division (present) Dec. 2012 Managing Director (present)	18,700
9	Tsutomu Hara (March 22, 1952)	Jun. 1979 Joined the Company Dec. 2009 Director Nov. 2010 General Manager, Central Research Laboratory (present) Dec. 2012 Managing Director (present)	9,900
10	Kenji Yoshida (December 15, 1948)	Mar. 1971 Joined the Company Jun. 1997 General Manager, President Office Dec. 2010 Director Dec. 2012 Managing Director (present) Dec. 2013 General Manager, Administrative Division (present)	95,500
11	Tadahiko Shimazu (October 13, 1947)	Mar. 1970 Joined the Company Jan. 2002 General Manager, Finance Division Dec. 2008 Director (present) General Manager, Accounting Division (present)	48,500

<table>
<tr><td rowspan="2">12</td><td>Kiyotaka Ise
(March 2, 1955)

Outside Director
Independent Director</td><td>Jun. 2007 Managing Officer, Toyota Motor Corporation
Apr. 2013 Senior Managing Officer, Toyota Motor Corporation (present)
Jun. 2013 Director, Toyota Motor Corporation
Dec. 2014 Director (present)

(Significant Positions Concurrently Held)
Senior Managing Officer, Toyota Motor Corporation
Outside Audit & Supervisory Board Member, Tokai Rika Co., Ltd.</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as a candidate for Outside Director]
We propose the election of Kiyotaka Ise as an Outside Director. Mr. Ise is a Senior Managing Officer of Toyota Motor Corporation. Based on his ample knowledge and experience, the Company expects him to provide well-informed advice, which will contribute to further reinforcing the Company’s management structure.
[Service period as Outside Officer of the Company]
The service period of Kiyotaka Ise as an Outside Director will be one year, beginning from the conclusion of the General Meeting of Shareholders.
[Status of attendance at the Board of Directors]
Kiyotaka Ise attended 10 of the 13 Board of Directors meetings held during the period after he assumed his position.
[Matters concerning independence]
The Company is scheduled to file him as the independent director/auditor with the Tokyo Stock Exchange, in accordance with the rules of the Exchange. If he is reappointed as Outside Director, the Company intends to continuously appoint him as an independent director/auditor. The Company has transactional relationships with Toyota Motor Corporation and Tokai Rika Co., Ltd. including sales of electronic devices. The scale of such transactions with Toyota Motor Corporation is no more than roughly 32 million yen on an annual basis (equivalent to 0.03% of the Company’s consolidated net sales), and the scale of such transactions with Tokai Rika Co., Ltd. is no more than roughly 71 million yen on an annual basis (equivalent to 0.06% of the Company’s consolidated net sales),. Therefore, the Company is sufficiently convinced of his independent status.</td></tr>
<tr><td>13</td><td>Naofumi Toriyama
(March 11, 1958)

Newly appointed</td><td>Mar. 1981 Joined the Company
Dec. 2011 Executive Manager (present)
Oct. 2012 Director of Sales, Electron Tube Division
Jan. 2014 Director of Business Headquarter (present)
Feb. 2014 Director of Domestic Sales Management (present)</td><td>200</td></tr>
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<tr><td rowspan="2">14</td><td>Kashiko Kodate
(January 18, 1941)

Newly appointed
Outside Director
Independent Director</td><td>Apr. 1992 Professor, Japan Women’s University Faculty of Science
Jan. 2008 President and CEO, Photonic System Solutions Inc. (present)
Apr. 2009 Professor Emeritus, Japan Women’s University (present)
Sep. 2009 Director, Gender Equality Programs, Independent Administrative Agency (then the National Research and Development Agency) Japan Science and Technology Agency
Apr. 2012 Specially Appointed Professor, The University of Electro-Communications (present)
(Significant Positions Concurrently Held)
President and CEO, Photonic System Solutions Inc.</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as a candidate for Outside Director]
In addition to her experience over many years as a university professor and her extensive expertise in sectors such as information photonics, Kashiko Kodate also possesses experience as a business manager. The Company judges she will be able to further enhance the Company's management organization by utilizing this broad experience and various discernments to provide well-informed advice from an independent standpoint, and is requesting her appointment as an Outside Director.
[Matters concerning independence]
The Company is scheduled to file Kashiko Kodate as an independent director/auditor with the Tokyo Stock Exchange, in accordance with the rules of the Exchange.</td></tr>
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Notes:

1. There are no special interest relationships between the Company and the candidates for Directors other than Akira Hiruma and Junichi Takeuchi.
2. Kiyotaka Ise and Kashiko Kodate, candidates for Director, are the candidates for Outside Director.
3. If the appointments of Director candidates Kiyotaka Ise and Kashiko Kodate are approved, based on the Company’s Articles of Incorporation the Company plans to enter into Agreement Limiting Liability between the Company and the Directors regarding the obligation set in Article 423 paragraph (1) of the Companies Act, to limit their obligation to the minimum allowance set by Article 425 paragraph (1) of the Companies Act.
4. Separately from the number of shares indicated above, candidate for Director Naofumi Toriyama held 7,647 shares as of September 30, 2015 as an interest of Hamamatsu Photonics K.K. employees stock ownership plan.

Guide to the Exercise of Voting Rights by Electronic Means (via the Internet, etc.)

1. To Shareholders Using Electronic Means (via the Internet, etc.):

Please read the following information carefully before exercising your voting rights using electronic means (via the Internet, etc.).

1) You may exercise your voting rights using electronic means (via the Internet, etc.), which is only available on the Website for the Exercise of Voting Rights designated by the Company (http://www.web54.net). This website is inaccessible from mobile phones. Please be noted that the ability to exercise your voting rights on the Website above is dependent upon your Internet environment.
2) You will need the Voting Rights Exercise Code and Password, both of which are indicated on the right-hand side of the enclosed Voting Rights Exercise Form, to exercise your voting rights using electronic means (via the Internet, etc.). The code and password are applicable only for this General Meeting of Shareholders. Your password will be locked and rendered invalid after certain incorrect password attempts. If you wish to create a new one, please follow the guidance on the screen appearing on the Website for the Exercise of Voting Rights.
3) For the purpose of timely vote tabulation, we request that you exercise your voting rights using electronic means (via the Internet, etc.) by 5:00 p.m., Thursday, December 17, 2015, Japan Time, which is the day before the General Meeting of Shareholders.
4) If you have exercised your voting rights more than once by electronic means (via the Internet, etc.), only the final exercise of the voting rights shall be deemed effective.
5) If you have exercised your voting rights both by electronic means (via the Internet, etc.) and the Voting Rights Exercise Form, only the exercise of the voting rights by electronic means (via the Internet, etc.) shall be deemed effective.
6) Please be noted that any fees incurred by accessing the Website for the Exercise of Voting Rights are the responsibility of shareholders.

Inquiries regarding the exercise of voting rights by electronic means (via the Internet, etc.):

Sumitomo Mitsui Trust Bank , Limited
Stock Transfer Agency Web Support
Telephone: 0120-652-031
Business hours: 9:00 – 21:00

2. To Institutional Investors:

With a preliminary application, nominee shareholders of custodian banks (standing proxies included) can use the platform for the said electronic means at the Company's General Meeting of Shareholders.

(Attachments)

Business Report

(From October 1, 2014 through September 30, 2015)

1. Matters Concerning the Corporate Group

(1) Business Operations and Results

During the fiscal year ended September 30, 2015 (from October 1, 2014 through September 30, 2015), Japan's economy as a whole maintained a gradual recovery as the corporate earnings picture brightened and personal consumption remained brisk. Nevertheless, concerns about the future direction of the economy increased, driven by factors such as a heightened sense of uncertainty that was influenced by the economic slowdown in newly developing countries towards the end of the fiscal year.

Given these circumstances, our Group pursued research and development by utilizing the proprietary photonics technologies we have cultivated over many years, and strove to expand net sales and earnings by undertaking aggressive sales and marketing activities, continuing to develop high-value added products that address customers' need and maintained a high level of capital investment for enhancing the production capacity.

In addition to steady domestic sales growth, overseas sales significantly gained as well, due mainly to the favorable exchange rate. As a result, we closed the fiscal year ended September 30, 2015 with net sales of JPY 120,691 million, up by JPY 8,598 million (7.7%) and ordinary income of JPY 24,658 million, up by JPY 2,127 million (9.4%) over one year ago respectively. Net income was JPY 16,598 million, up by JPY 1,442 million (9.5%) from the previous year.

A summary of business performance by business segment and product is reported below.

<Electron Tube>

Photomultiplier tubes (PMT)

Sales of photomultiplier tubes (PMT) fell in oil-well logging applications in the measuring instrument field following the drop in oilfield development investment, but sales for environmental analysis remained brisk in the analysis sector. In addition, in the medical field, sales for inspection and monitoring systems such as blood analyzers expanded steadily, mainly in overseas markets, thanks to these products' strong reputation for highly sensitive, high-speed operations. Sales for nuclear medicine applications such as Positron Emission Tomography (PET) also trended solidly, and consequently sales of photomultiplier tubes (PMT) rose.

Imaging devices and light sources

In imaging devices and light sources, sales of Microfocus X-ray light sources for non-destructive testing in the industrial field remained steady in Europe and Japan, thanks to these products' strong reputation for high-definition, high reliability and excellent stability for inline application at production processes. In addition, sales of our Stealth Dicing Engine for high-speed, high-quality silicon wafer dicing and of UV-LED light sources for highly accurate bonding of large-scale panels rose higher as well, and as a result, sales of imaging devices and light sources increased.

In total, the Electron Tube business comprised of photomultiplier tubes (PMT) and imaging devices and light sources closed the fiscal year 2015 with net sales of JPY 48,706 million, up by 6.9% from the previous year.

<Opto-semiconductor>

Opto-semiconductors

In opto-semiconductors, sales in the medical field of our core silicon photodiodes rose significantly, largely for medical devices in North America, thanks to these products' suitability for customers' needs, while sales of our flat panel sensors also remained steady centered on dental applications. In addition, sales of Photo ICs, which are used for optical communication networks in automobiles, also increased in Europe, resulting in the expansion of sales of opto-semiconductors.

As a result, net sales in the Opto-semiconductor business came to JPY 51,944 million, up by 5.7% from the previous year.

<Imaging and Measurement Instruments>

Image processing and measurement systems

In image processing and measurement systems, failure analysis systems for semiconductor devices have earned a solid reputation for high-definition and high sensitivity in a wide range of fields, which drove a broad advance in sales in Japan as well as overseas. Sales of digital cameras, which enjoy a reputation for excellent performance that meets customers' needs, increased as well, particularly for the field of life sciences and biotechnology. In addition, sales of X-ray line sensor cameras, primarily for food inspection applications, also expanded. Reflecting these dynamics, sales of the image processing and measurement systems increased.

As a result, net sales for the Imaging and Measurement Instruments business were JPY 16,201 million, up by 15.5% from the previous year.

Net sales by business segment and by product (Millions of Japanese Yen)

Business segment	Product		FY2015	FY2014	Increase (decrease)	
			Amount	Amount	Amount	Percentage
Electron tube	Photomultiplier tubes (PMT)	Japan	4,433	4,324	109	2.5 %
		Overseas	22,251	21,264	987	4.6
		Total	26,684	25,588	1,096	4.3
	Imaging devices and light sources	Japan	8,096	7,209	887	12.3
		Overseas	13,925	12,752	1,172	9.2
		Total	22,021	19,961	2,059	10.3
	Subtotal	Japan	12,529	11,533	996	8.6
		Overseas	36,176	34,016	2,160	6.4
		Total	48,706	45,550	3,156	6.9
Opto-semiconductor	Opto-semiconductors	Japan	17,375	18,480	△1,104	△6.0
		Overseas	34,569	30,681	3,887	12.7
		Total	51,944	49,161	2,782	5.7
Imaging and measurement instruments	Image processing and measurement systems	Japan	5,231	4,784	447	9.3
		Overseas	10,969	9,238	1,731	18.7
		Total	16,201	14,022	2,178	15.5
Other business segments		Japan	2,101	2,025	76	3.8
		Overseas	1,737	1,333	404	30.3
		Total	3,839	3,358	480	14.3
Total		Japan	37,238	36,823	414	1.1
		Overseas	83,452	75,268	8,183	10.9
		Total	120,691	112,092	8,598	7.7

The status of our research and development is reported below.

<Basic Research Sector>

In the biotechnology sector, we are pursuing research for the practical application of an opto-bioassay system[1]. This system evaluates the toxicity of a target measurement material by detecting and measuring the faint light emitted by algae when mixed with a solution of that material, and currently we have created a practical, easy-to-use experimental procedure utilizing a test kit that uses algae cells as a reagent. As a result, the cultivation and maintenance of algae cells required for testing can be greatly simplified, making it feasible to achieve high-quality toxicity assessments in less time and at lower cost. In the future, this system is expected to find uses in water quality management through the measurement of contaminants such as factory effluents, and contribute to the development of agrochemicals, detergents and other products with a smaller negative environmental impact.

In the medical care sector, based on results from using PET to analyze how intranasal vaccinations in mice and monkeys will accumulate in intended regions without any indications the vaccines migrate to the brain and are the cause of side effects, we have demonstrated that PET is an effective means for demonstrating not only the safety but also the effectiveness of intranasal vaccinations[2]. In recent years, research on intranasal-type drugs has been advancing in countries around the world because compared with injections, such treatments can be administered easily and are expected to yield excellent results. This recently developed analytical technique illustrates a new application of PET, which is expected to contribute to the clinical trials of various drugs in the future, including medications administered intranasally.

In the semiconductor laser sector, we are undertaking research on quantum cascade lasers in the terahertz (THz) band[3]. While THz waves are expected to find applications in a wide range of sectors such as nondestructive testing and medicine, with earlier methods cryogenic cooling using materials such as liquid nitrogen was necessary for laser oscillations in the THz band, and until now such lasers have found few applications in industrial uses. Given such circumstances, the Company applied technology that generates difference frequencies[4] in a quantum cascade laser to successfully generate THz waves at room temperature. Moreover, by manufacturing a structure based on a proprietary design unlike conventional approaches, we achieved the world's best wavelength conversion efficiency, which has enabled improved THz wave output as well. In the future, we will seek further performance enhancements, and pursue industrial applications for THz waves.

We also are conducting research on photonic-crystal surface-emitting lasers to produce high emission output, high beam quality lasers, by incorporating photonic crystals[5] into semiconductor lasers. By improving processing technology and optimizing the design, we recently established a processing technology that is capable of mass production with the excellent production stability and low cost required for commercialization. Going forward, we will increase the production completion rate and pursue higher power output.

<Development Sector>

Low power, long-life UV-LED unit with high output

In recent years, as printing methods using UV ink that cures instantly when exposed to

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1 This technology was developed in collaboration with the National Institute for Environmental Studies.

2 This result is based on joint research with The University of Tokyo and The National Institute of Infectious Diseases.

3 Semiconductor lasers capable of achieving high output even in the mid- to far-infrared wavelength range where light energy is low.

4 A phenomenon that generates light corresponding to the difference in light of two different frequencies using the nonlinear optical effect.

5 Can provide a variety of optical control functions using a two-dimensional or three-dimensional nano-structure in which materials with different refractive indexes are cyclically aligned.

ultraviolet light have spread throughout the printing industry, metal halide lamps have been utilized as the main light source for curing UV inks. Recently, through design and materials optimization that made it possible to improve discharge characteristics and greatly increased input power, the Company has developed UV-LED units that achieve a level of ultraviolet light irradiation strength equivalent to that of metal halide lamps. Because they have extended product longevity by over ten-fold while consuming less than one-third the power of metal halide lamps, these products will also result in significant cost reductions. These UV-LED light sources can be applied to a wide range of applications other than printing, including the drying of coating materials and bonding of precision parts, and we will expand this product lineup in the future in response to various applications.

Infrared light detection elements that operate at room temperature

Because the absorption wavelengths of gases assumed to cause environmental damage are within the 3-5 μm wavelength band of infrared light, it is possible to make measurements of gas concentrations by using infrared light detection elements that are sensitive to this wavelength band. The mainstream room temperature infrared light detection elements in this wavelength band, however, were themselves an environmental problem because they contain lead. Moreover, because models that did not contain lead required cooling, miniaturization and price reductions were limited, and applications were restricted as well. Given these considerations, the Company used its compound semiconductor crystal growth technology and processing technology, cultivated over many years, to develop environmentally friendly infrared light detection elements without lead that can be operated at room temperature in this wavelength band[6]. Measurement using these infrared light detection elements is expected to contribute not only to the environmental field, but also to a broad range of sectors in the future, including medical care and agriculture.

Small film thickness measurement systems that can be easily incorporated into manufacturing and inspection equipment

Recently multilayer coatings have been applied to touch panels in products such as smartphones to give them functions such as electro-conductivity and surface protection. Film thickness meters, which are devices for inspecting for product defects by measuring the film thickness, make it possible to accelerate measurement by incorporating such devices into manufacturing and inspection equipment. By utilizing state-of-the-art spectral interferometry to achieve greater miniaturization, together with functions that can simultaneously measure film thickness of both surfaces of a substrate and support PLC[7] connections, the Company has developed a film thickness measurement system that is unique in the industry and can be easily incorporated into other equipment. The Company's film thickness measurement systems will help shorten operating times of manufacturing and inspection processes, and contribute to highly effective, stable quality control.

As reported above, we are using the proprietary photonics technologies our Group has cultivated over many years to pursue basic research aimed at the creation of new knowledge and new industries and undertake development that seeks to create new products and further enhance the high performance and added value of existing products in sectors such as biotechnology, medical care, information, telecommunications, energy, materials, space and astronomy, and agriculture.

For the fiscal year ended September 30, 2015, research and development expenses increased to

6 Part of this development result is based on the NEDO grant program "Development of High-Performance Quantum-type Infrared Detectors Operable at Room Temperature for Environmental Measurement/Manufacturing Use".

7 Devices that use programs to automatically control equipment in plants or other locations.

JPY 11,615 million (up by 5.8%) compared with the previous fiscal year.

(2) Capital Investment

For the fiscal year ended September 30, 2015, we made total capital investments of JPY 14,338 million for purposes such as expanding production capacity and strengthening our development capabilities. The amount of capital investment by business segment was JPY 6,374 million for Electron Tube, JPY 5,418 million for Opto-semiconductor, JPY 320 million for Imaging and Measurement Instruments and JPY 2,225 million for Other.

(3) Fund Procurement

There was no fund procurement during the fiscal year ended September 30, 2015.

(4) Issues to be Addressed

With regard to the business environment surrounding our Group, we recognize that over the near term the economy will labor under strict circumstances, including an opaque situation in Europe and an economic slowdown in newly developing countries.

Given such circumstances, the Hamamatsu Photonics Group recognizes that “photonics”, which the Group has pursued since its establishment, now forms a fundamental technology supporting various industries, and that the unending evolution of photonics technology will be sought on a global scale to further enhance today’s technological innovations and the performance and accuracy of electronic equipment.

To respond flexibly and rapidly to this growth in the photonics industry and to changes in the business environment, the Hamamatsu Photonics Group will seek to create a sustainable, stable and strong earnings organization, by undertaking proactive research and development investment and capital investments for growth based on the Group’s medium and long-term vision.

As a Group, we will expand our business domain by seeking to create new industries and contribute to society, and work to solidify our decisive position as a leading global company in photonics technologies, by never forgetting our venture mentality and continuing to develop in the years ahead as well the photonics technologies we have cultivated since the Company was established.

We look forward to continuing to receive your unwavering support and encouragement in the future.

(5) Change in Business Results and Financial Position for the Three Most Recent Fiscal Years

(Millions of Japanese Yen, except for net income per share and net assets per share, which are in Japanese Yen)

Year / Classification	FY2012	FY2013	FY2014	FY2015
Net sales	98,067	102,156	112,092	120,691
Ordinary income	18,350	17,883	22,531	24,658
Net income	11,206	11,529	15,155	16,598
Net income per share	139.39	143.41	188.52	103.23
Total assets	189,970	198,278	215,412	226,179
Net assets	140,873	154,385	168,815	180,770
Net assets per share	1,745.18	1,913.98	2,093.11	1,120.38

Notes: 1. Net income per share is calculated using the number of shares after deducting treasury shares from the average total shares issued during the period. Net assets per share are calculated using the number of shares after deducting treasury shares from the total shares issued at the end of the period.

2. The Company implemented a two-for-one stock split on April 1, 2015. The net income per share and net assets per share for FY2015 (fiscal year ended September 30, 2015) have been calculated by assuming this stock split was executed at the beginning of the fiscal year ended September 30, 2015.

3. Amounts less than 0.01 yen are rounded.

(6) Key Subsidiaries

Company name	Capital stock	Percent owned	Main businesses
Photonics Management Corp.	33,521,000 US dollars	100.0 %	Holding company
Hamamatsu Photonics (China) Co., Ltd.	50,000,000 Chinese yuan	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics Deutschland GmbH	2,000,000 euros	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics France S.A.R.L.	1,136,000 euros	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics Italia S.r.1.	728,000 euros	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics UK Limited	400,000 UK pounds	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Koso Corporation	85,000,000 yen	100.0	Manufacture of light sources
Hamamatsu Photonics Taiwan Co., Ltd.	14,000,000 Taiwan dollars	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics Norden AB	2,700,000 Swedish krona	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics Europe GmbH	200,000 euros	100.0	Sales promotion in Europe
Beijing Hamamatsu Photon Techniques, Inc.	200,000,000 Chinese yuan	94.0	Manufacture and sale of photomultiplier tubes (PMT)
Takaoka Electronics Co., Ltd.	98,000,000 yen	88.6	Manufacture of photomultiplier tubes (PMT)
Hamamatsu Electronic Press Co., Ltd.	95,000,000 yen	72.1	Manufacture of electronic components and molds
Iwata Grand Hotel Inc.	480,000,000 yen	57.1	Hotel operations
Hamamatsu Photonics Scientific Instrument (Beijing) Co., Ltd.	5,000,000 Chinese yuan	[100.0]	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics Medical Technology (Lang Fang) Co., Ltd.	5,000,000 Chinese yuan	〈100.0〉	Manufacture and sale of medical equipment and related products

Hamamatsu Corporation	426,000 US dollars	(100.0)	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems

Notes: 1. The figures in ［ ］ for percent owned are the indirect ownership percentage held by Hamamatsu Photonics (China) Co., Ltd..

2. The figures in 〈〉 for percent owned are the indirect ownership percentage held by Beijing Hamamatsu Photon Techniques, Inc.

3. The figures in ( ) for percent owned are the indirect ownership percentage held by Photonics Management Corp.

4. To expand sales in Taiwan, in December 2014 the Company established Hamamatsu Photonics Taiwan Co., Ltd. in Taiwan.

5. Hamamatsu Electronic Press Co., Ltd. increased the amount of its stated capital by implementing a third party allotment of new shares, and as a result increased its percent owned of the Company.

6. Hangzhou Hamamatsu Photonics Science and Technology Co., Ltd. has been excluded from the key subsidiaries shown above because in March 2015, China Healthcare K.K. transferred all of that company's shares that it owned

7. To respond to the revision of regulations concerning production of medical devices in China, in June 2015 the Company established Hamamatsu Photonics Medical Technology (Lang Fang) Co., Ltd. in China.

8. The resolution of China Healthcare K.K. was completed on July 8, 2015.

(7) Main Businesses (As of September 30, 2015)

The main business of our Group is the manufacture and sale of light-related products such as photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, and image processing and measurement systems, and activities incidental to these businesses.

Our main products and business activities are described below.

Business segment	Product	Main products and business activities
Electron tube	Photomultiplier tubes (PMT)	Photomultiplier tubes (PMT), Photo-sensor modules, Hybrid photo-detectors, Accessories for photomultiplier tube, Electron multipliers, Image intensifiers, High-speed gate image intensifier units, Phototubes, Photon detection units, UV power meters, Immunochromato-readers, Pinhole inspection units, Fast decay phosphors, Flow cells, High voltage power supplies
	Imaging devices and light sources	Microfocus X-ray sources, X-ray scintillators, X-ray image intensifiers, Microchannel plates, FOP (fiber optic plates), Streak tubes, Deuterium lamps, Xenon lamps, Mercury xenon lamps, Xenon flash lamps, Stealth Dicing Engine (SDE), UV-LED light sources, Products using light sources, Electrostatic removers (photoionizer), Flame sensors (UV TRON)
Opto-semiconductor	Opto-semiconductors	Photodiodes (Si, GaAs, GaAsP, GaP), APD (Si, InGaAs), MPPC, photo ICs, PSD (position sensitive detectors), Infrared detectors (InGaAs, InAsSb, InSb, InAs, Photon drag detectors, Thermopile), InGaAs image sensors, CCD image sensors, CMOS image sensors, Photodiode arrays with amplifier, NMOS image sensors, X-ray flat panel sensors, LED, LCOS-SLM (phase spatial light modulators), Mini-spectrometers, Photosensor amplifiers, APD/MPPC modules, Distance sensors, Image sensor driver circuits and application products, Optical communication devices, Automotive devices, Special detectors for high energy particles, Radiation detection modules
Imaging and measurement instruments	Image processing and measurement systems	Digital CCD cameras for measurement, CMOS cameras for scientific measurement, TDI cameras, X-ray line sensor cameras, Streak cameras, Fluorescence lifetime spectrometers, Multichannel spectrographs, Quantum yield measurement systems, Failure analysis systems for semiconductor manufacturing, Plasma process monitors, Thickness measurement systems, Optical NanoGauge/MicroGauge, Imaging and analysis devices for life sciences, Drug screening systems, Non-invasive brain oxygen monitors, Biological tissue fluorescent monitoring systems, Pathology digital slide scanners
Other		Semiconductor laser business, Hotel operations

(8) Main Office Locations & Factories (As of September 30, 2015)

a. Hamamatsu Photonics K.K.

Office name	Location	Office name	Location
Headquarters	Naka-ku, Hamamatsu City	Sendai Sales Office	Aoba-ku, Sendai City
Main Factory	Higashi-ku, Hamamatsu City	Tsukuba Sales Office	Tsukuba City, Ibaraki Pref.
Mitsue Factory	Iwata City, Shizuoka Pref.	Tokyo Sales Office	Minato-ku, Tokyo
Shingai Factory	Minami-ku, Hamamatsu City	Chubu Sales Office	Naka-ku, Hamamatsu City
Toyooka Factory	Iwata City, Shizuoka Pref.	Osaka Sales Office	Chuo-ku, Osaka City
Tenno Glass Works	Higashi-ku, Hamamatsu City	Nishinihon Sales Office	Hakata-ku, Fukuoka City
Joko Factory	Higashi-ku, Hamamatsu City	Central Research Laboratory	Hamakita-ku, Hamamatsu City
Miyakoda Factory	Kita-ku, Hamamatsu City	Tsukuba Research Laboratory	Tsukuba City, Ibaraki Pref.
Tokyo Branch Office	Minato-ku, Tokyo	Industries Development Laboratory	Nishi-ku, Hamamatsu City

b. Subsidiaries

	Company Name	Location
Japan	Koso Corporation	Iwata City, Shizuoka Pref.
	Takaoka Electronics Co., Ltd.	Naka-ku, Hamamatsu City
	Hamamatsu Electronic Press Co., Ltd.	Iwata City, Shizuoka Pref.
	Iwata Grand Hotel Inc.	Iwata City, Shizuoka Pref.
Overseas	Photonics Management Corp.	USA
	Hamamatsu Photonics (China) Co., Ltd.	China
	Hamamatsu Photonics Deutschland GmbH	Germany
	Hamamatsu Photonics France S.A.R.L.	France
	Hamamatsu Photonics Italia S.r.l.	Italy
	Hamamatsu Photonics UK Limited	UK
	Hamamatsu Photonics Taiwan Co., Ltd.	Taiwan
	Hamamatsu Photonics Norden AB	Sweden
	Hamamatsu Photonics Europe GmbH	Germany
	Beijing Hamamatsu Photon Techniques, Inc.	China
	Hamamatsu Photonics Scientific Instrument (Beijing) Co., Ltd.	China
	Hamamatsu Photonics Medical Technology (Lang Fang) Co., Ltd.	China
	Hamamatsu Corporation	USA

(9) Employees (As of September 30, 2015)

Business segment	No. of employees
Electron tube	1,856
Opto-semiconductor	1,210
Imaging and measurement instruments	513
Other	294
Corporate (shared)	609
Total	4,482

Notes: 1. The number of employees is the numbers of full-time employees.
2. Employees designated as "Corporate (shared)" are individuals affiliated with management departments who cannot be classified in a specific business segment.

(10) Main Banks and Amount of Borrowing (As of September 30, 2015)

(Millions of Japanese Yen)

Bank	Amount
Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000
Resona Bank, Limited	2,400
Shizuoka Bank, Ltd.	1,422

(11) Summary of Other Important Matters Concerning the Corporate Group

Not applicable

2. Matters Concerning the Company's Stock (As of September 30, 2015)

Common stock

a. Authorized: 500,000,000 shares
b. Issued: 167,529,968 shares (including 6,475,034 shares of treasury shares)
c. Number of shareholders: 30,774
e. Major shareholders:

Name of shareholder	No. of shares	Percentage of shareholding
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,020,800	5.6
Toyota Motor Corporation	8,400,000	5.2
Hamamatsu Photonics K.K. employees	5,495,062	3.4
Japan Trustee Services Bank, Ltd. (Trust Account 9)	5,199,600	3.2
Japan Trustee Services Bank, Ltd. (Trust Account)	4,949,700	3.1
State Street Bank and Trust Company	4,504,697	2.8
Teruo Hiruma	3,153,284	2.0
The Nomura Trust and Banking Co., Ltd. (Investment Trust)	2,935,200	1.8
The Chase Manhattan Bank, N.A. London Special Account No.1	2,795,456	1.7
State Street Bank and Trust Company 505225	2,283,934	1.4

Notes: 1. The Company holds 6,475,034 shares of treasury shares that is not included in the shares of the major shareholders shown above.
2. The Company implemented a two-for-one stock split on April 1, 2015.As a result, the number of shares of common stock issued increased by 83,764,984 shares. Furthermore, based on the provision of Article 184 paragraph (2) of the Companies Act, on April 1, 2015 the Company revised Article 6 of the Company's Articles of Incorporation and increased the total number of shares authorized to be issued by 250,000,000 shares to 500,000,000 shares.
3. The percentage of shareholding is calculated after excluding treasury shares. Fractional amounts of less than a single unit have been rounded.

3. Matters Concerning Company Stock Acquisition Rights

Not applicable

4. Matters Concerning Company Directors

(1) Directors and Audit & Supervisory Board Members (As of September 30, 2015)

Name	Company Position	Responsibilities and Significant Positions Concurrently Held
Teruo Hiruma	Director and Chairman of the Board	
Akira Hiruma	Representative Director and President	(Note 1)
Haruji Ohtsuka	Representative Director and Vice President	
Koei Yamamoto	Representative Director and Senior Managing Director	General Manager, Solid State Division
Junichi Takeuchi	Representative Director and Senior Managing Director	General Manager, Electron Tube Division
Hitoshi Iida	Managing Director	General Manager, System Division

Kenji Suzuki	Managing Director	Deputy General Manager, Electron Tube Division
Mitsutaka Takemura	Managing Director	Deputy General Manager, Solid State Division
Tsutomu Hara	Managing Director	General Manager, Central Research Laboratory
Kenji Yoshida	Managing Director	General Manager, Administrative Division
Hirofumi Uchiyama	Director	General Manager, Power Laser R&D Group
Takashi Koike	Director	General Manager, Tokyo Branch Office
Tadahiko Shimazu	Director	General Manager, Accounting Division
Kiyotaka Ise	Director	Senior Managing Officer, Toyota Motor Corporation Outside Audit & Supervisory Board Member, Tokai Rika Co., Ltd.
Kazuhiko Mori	Audit & Supervisory Board Member (Standing)	
Hiroshi Mizushima	Audit & Supervisory Board Member (Standing)	
Masaharu Hamakawa	Audit & Supervisory Board Member	
Yuji Maki	Audit & Supervisory Board Member	Managing Officer, Toyota Motor Corporation

Notes: 1. The following significant positions are concurrently held by Representative Director and President Akira Hiruma.

Company Name	Position
Photonics Management Corp.	Director and President
Hamamatsu Corporation	Director
Roland DG Corporation	Outside Director
Research Foundation for Opto-Science and Technology	Director and President
Hamamatsu Medical Photonics Foundation	President
The Graduate School for the Creation of New Photonics Industries.	President

2. Director Kiyotaka Ise is an Outside Director.
3. Audit & Supervisory Board member Masaharu Hamakawa and Audit & Supervisory Board member Yuji Maki are Outside Audit & Supervisory Board members.
4. The Company has notified the Tokyo Stock Exchange of Director Kiyotaka Ise, Audit & Supervisory Board Member Masaharu Hamakawa and Audit & Supervisory Board Member Yuji Maki as independent directors/auditors, as provided by the securities listing regulations of the Tokyo Stock Exchange.
5. At the 67th Ordinary General Meeting of Shareholders held on December 19, 2014, Kiyotaka Ise was elected to and assumed the position of Director as an alternate to Director Soichiro Okudaira, who resigned his appointment as of April 30, 2014.
6. At the close of the 67th Ordinary General Meeting of Shareholders held on December 19, 2014, Audit & Supervisory Board member Fumio Muramatsu resigned and Hiroshi Mizushima was elected to and assumed the position of Audit & Supervisory Board Member as an alternate.
7. In addition to his many years of experience at Resona Bank, limited, Audit & Supervisory Board member Kazuhiko Mori is engaged in accounting and financial activities as General Manager of the Company's Finance Division and has the appropriate degree of knowledge concerning financial affairs and accounting.
8. Audit & Supervisory Board member Masaharu Hamakawa has many years of experience at The Bank of Tokyo Ltd. and The Bank of Tokyo-Mitsubishi, Ltd. (both now The Bank of Tokyo-Mitsubishi UFJ, Ltd.), and has the appropriate degree of knowledge concerning financial affairs and accounting.

(2) Remuneration and Other Amounts Paid to Directors and Audit & Supervisory Board Members

a. Total remuneration and other benefits pertaining to the fiscal year ended September 30, 2015

Classification	Number of compensated individuals	Amount paid	Summary
Director	14	JPY 478 million	(1 Outside Director JPY 1 million)
Audit & Supervisory Board Member	5	JPY 43 million	(2 Outside Audit & Supervisory Board Members JPY 5 million)
Total	19	JPY 522 million	

Notes:
1. The amount of remuneration for Directors was established at a monthly amount of up to JPY 55 million (up to JPY 1 million for Outside Directors), excluding the salary payable in the capacity of employees, by a resolution of the 65th Ordinary General Meeting of Shareholders convened on December 20, 2012.
2. The amount of remuneration for Audit & Supervisory Board members was established at a monthly amount up to JPY 6 million by a resolution of the 65th Ordinary General Meeting of Shareholders convened on December 20, 2012.
3. Total remuneration paid to Directors does not include the employee salary portions paid to Directors serving concurrently as employees.
4. The number of compensated individuals shown above includes one Audit & Supervisory Board Member who retired on December 19, 2014.

b. Retirement benefits paid in the fiscal year ended September 30, 2014

Retirement benefits paid during the fiscal year ended September 30, 2014 based on a resolution of the 65th Ordinary General Meeting of Shareholders held on December 20, 2012 to pay final benefits following abolition of the retirement benefit plan were as follows.

Audit & Supervisory Board Member: 1 JPY 8 million

(The amount shown above was already disclosed as a transfer of the provision for officers' retirement benefits included in the total amount of officers' remuneration and other benefits in the Business Report for the prior fiscal year.)

(3) Outside Officers

a. Significant positions concurrently held at other corporations etc. and relationship between the Company and said other corporations etc.

Name	Significant Positions Concurrently Held
Kiyotaka Ise (Outside Director)	Senior Managing Officer, Toyota Motor Corporation Outside Audit & Supervisory Board Member, Tokai Rika Co., Ltd.
Yuji Maki (Outside Audit & Supervisory Board Member)	Managing Officer, Toyota Motor Corporation

Notes: Toyota Motor Corporation is a major shareholder and owns 5.2% of the Company's total shares issued (excluding treasury shares). The Company has business transactions, including the sale and purchase of products, with Toyota Motor Corporation.

b. Main activities

Name	Remarks etc. at meetings of the Board of Directors and Audit & Supervisory Board
Kiyotaka Ise (Outside Director)	Contributes remarks and advice based on his extensive experience and deep insights, mainly in sectors such as corporate management. Attended 10 of the 13 Board of Directors meetings held following his appointment.
Masaharu Hamakawa (Outside Audit & Supervisory Board Member)	Takes advantage of his experience in the banking industry to contribute remarks and advice on all aspects of corporate management, including operations management and the financial accounting system. Attended 13 of the 16 Board of Directors meetings, and 7 of the 8 Audit & Supervisory Board meetings.
Yuji Maki (Outside Audit & Supervisory Board Member)	Contributes remarks and advice based on his practical experience and perspective in the accounting division of a listed company. Attended 14 of the 16 Board of Directors meetings and 7 of the 8 Audit & Supervisory Board meetings.

c. Summary of contents of agreements to limit liability

Although the Company has established provisions in Article 26 and Article 35 of its Articles of Incorporation that enable it to enter agreements with its Outside Directors and Outside Audit & Supervisory Board members that limit their liability, the Company has not entered into such agreements to limit liability.

5. Independent Auditor

(1) Name of Independent Auditor

Ernst & Young ShinNihon LLC

(2) Amount of Compensation and Other Benefits Paid to the Independent Auditor Pertaining to the Fiscal Year Ended September 30, 2015

Classification	Amount
Amount of compensation and other fees related to activities prescribed in Article 2 paragraph (1) of the Certified Public Accountants Act (Law No. 103 of 1948)	JPY 60 million
Total amount of cash and other financial interests the Company and its subsidiary companies will pay to the Company's independent auditor	JPY 60 million

Notes: 1.The amount of compensation and other benefits pertaining to the fiscal year ended September 30, 2015 is reported in these total amounts because the amounts of the audit fees etc. for audits based on the Companies Act and audits based on the Financial Instruments and Exchange Act are not classified separately and cannot be substantively classified in the audit agreement between the Company and its independent auditor.

2. After performing the verification necessary to determine whether the details of the audit plan, status of performance of audit duties, grounds for calculation of estimated compensation and other matters pertaining to the independent auditor are appropriate, the Company's Audit & Supervisory Board has given its consent for the amount of compensation and other benefits paid to the independent auditor.

(3) Consolidated Subsidiary Audits

The following important consolidated subsidiaries of the Company are subject to audits by certified public accountants or audit entities other than the Company's independent auditor (including individuals in other countries holding qualifications that correspond to these qualifications).

Corporation Name
Hamamatsu Corporation
Hamamatsu Photonics Deutschland GmbH

(4) Company Policy Concerning Decisions to Dismiss or Not Reappoint the Independent Auditor

The Company's Audit & Supervisory Board will dismiss the independent auditor by a resolution of the Audit & Supervisory Board based on the consensus of all Audit & Supervisory Board members if the independent auditor corresponds to any of the reasons provided in the sub-paragraphs of Article 340 paragraph (1) of the Companies Act. In this case, an Audit & Supervisory Board member selected by the Audit & Supervisory Board will report on the dismissal and the reason at the first Ordinary General Meeting of Shareholders convened after such dismissal.

In addition the situation described above, if it recognizes the independent auditor will have difficulty in appropriately accomplishing their duties, the Company's Audit & Supervisory Board will conduct a study based on the facts, and if it is judged dismissal or non-reappointment is reasonable the Audit and Supervisory Board will request to the Board of Directors to make that intent a purpose of the Ordinary General Meeting of Shareholders.

Note: For descriptions of amounts in this Business Report, fractional amounts of less than a single unit have been rounded down.

Consolidated Balance Sheets

(As of September 30, 2015)

(Millions of Japanese Yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	**147,160**	**Current liabilities**	**35,833**
Cash and deposits	81,548	Notes and accounts payable-trade	4,518
Notes and accounts receivable-trade	28,736	Electronically recorded obligations-operating	8,994
Merchandise and finished goods	7,383	Short-term loans payable	2,040
Work in process	15,689	Current portion of long-term loans payable	3,172
Raw materials and supplies	6,403	Income taxes payable	2,763
Deferred tax assets	3,304	Provision for bonuses	3,480
Other	4,249	Other	10,863
Allowance for doubtful accounts	(155)	**Non-current liabilities**	**9,575**
Non-current assets	**79,019**	Long-term loans payable	3,808
Property, plant and equipment	**66,854**	Deferred tax liabilities	176
Buildings and structures	32,342	Net defined benefit liability	3,956
Machinery, equipment and vehicles	11,497	Other	1,633
Tools, furniture and fixtures	3,451	**Total liabilities**	**45,409**
Land	16,644	**Net assets**	
Leased assets	181	**Shareholders' equity**	**174,179**
Construction in progress	2,737	Capital stock	34,928
Intangible assets	**1,766**	Capital surplus	34,672
Investments and other assets	**10,398**	Retained earnings	110,637
Investment securities	2,465	Treasury shares	(6,059)
Real estate for investment	371	**Accumulated other comprehensive income**	**5,962**
Deferred tax assets	5,955	Valuation difference on available-for-sale securities	520
Other	1,625	Foreign currency translation adjustment	4,367
Allowance for doubtful accounts	(19)	Remeasurements of defined benefit plans	1,074
		Minority interests	**629**
		Total net assets	**180,770**
Total assets	**226,179**	**Total liabilities and net assets**	**226,179**

Consolidated Statements of Income

(From October 1, 2014 through September 30, 2015)

(Millions of Japanese Yen)

Item	Amount	
Net sales		**120,691**
Cost of sales		**57,582**
Gross profit		**63,109**
Selling, general and administrative expenses		**39,512**
Operating income		**23,596**
Non-operating income		
Interest income	201	
Dividend income	40	
Rent income on non-current assets	82	
Rent of real estate for investment	78	
Foreign exchange gains	482	
Share of profit of entities accounted for using equity method	86	
Other	313	**1,287**
Non-operating expenses		
Interest expenses	97	
Rent expenses on real estates	70	
Other	56	**224**
Ordinary income		**24,658**
Extraordinary income		
Gain on sales of non-current assets	83	
Subsidy income	623	**706**
Extraordinary loss		
Loss on sales of non-current assets	10	
Loss on retirement of non-current assets	52	
Loss on reduction of non-current assets	623	
Loss on valuation of investment securities	1	
Loss on sales of shares of subsidiaries	3	**691**
Income before income taxes and minority interests		**24,672**
Income taxes-current	7,185	
Income taxes-deferred	852	**8,038**
Income before minority interests		**16,634**
Minority interests in income		**35**
Net income		**16,598**

Non-consolidated Balance Sheets

(As of September 30, 2015)

(Millions of Japanese Yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	**110,494**	**Current liabilities**	**28,810**
Cash and deposits	56,651	Notes payable - trade	89
Notes receivable - trade	3,743	Electronically recorded obligations - operating	8,994
Accounts receivable - trade	21,331	Accounts payable - trade	3,977
Merchandise and finished goods	2,450	Current portion of long-term loans payable	3,000
Work in process	15,344	Lease obligations	52
Raw materials and supplies	5,924	Accounts payable - other	2,229
Deferred tax assets	1,795	Accrued expenses	862
Accounts receivable - other	2,856	Income taxes payable	2,472
Other	425	Advances received	9
Allowance for doubtful accounts	(27)	Deposits received	156
Non-current assets	**77,898**	Provision for bonuses	3,106
Property, plant and equipment	**57,830**	Electronically recorded obligations - facilities	1,904
Buildings	25,322	Deposits received from employees	1,882
Structures	1,882	Other	70
Machinery and equipment	10,766	**Non-current liabilities**	**9,649**
Vehicles	20	Long-term loans payable	3,000
Tools, furniture and fixtures	2,781	Lease obligations	92
Land	14,529	Provision for retirement benefits	5,077
Leased assets	131	Asset retirement obligations	139
Construction in progress	2,395	Other	1,339
Intangible assets	**1,137**	**Total liabilities**	**38,459**
Patent right	451	**Net assets**	
Software	668	**Shareholders' equity**	**149,413**
Other	17	**Capital stock**	**34,928**
Investments and other assets	**18,929**	**Capital surplus**	**34,636**
Investment securities	1,612	Legal capital surplus	34,636
Shares of subsidiaries and associates	8,346	**Retained earnings**	**85,903**
Investments in capital	1	Legal retained earnings	695
Investments in capital of subsidiaries and associates	1,359	Other retained earnings	85,207
		Reserve for special depreciation	22
Deferred tax assets	6,402	Reserve for dividends	4,500
Real estate for investment	145	General reserve	65,600
Other	1,081	Retained earnings brought forward	15,085
Allowance for doubtful accounts	(19)	**Treasury shares**	**(6,055)**
		Valuation and translation adjustments	**520**
		Valuation difference on available-for-sale securities	520
		Total net assets	**149,933**
Total assets	**188,392**	**Total liabilities and net assets**	**188,392**

Non-consolidated Statements of Income

(From October 1, 2014 through September 30, 2015)

(Millions of Japanese Yen)

Item	Amount	
Net sales		**99,157**
Cost of sales		**56,193**
Gross profit		**42,964**
Selling, general and administrative expenses		**26,337**
Operating income		**16,626**
Non-operating income		
Interest income	36	
Dividend income	1,117	
Rent of real estate for investment	37	
Foreign exchange gains	6	
Miscellaneous income	250	**1,448**
Non-operating expenses		
Interest expenses	64	
Rent expenses on real estates	57	
Miscellaneous loss	69	**191**
Ordinary income		**17,883**
Extraordinary income		
Gain on sales of non-current assets	62	
Subsidy income	623	**685**
Extraordinary losses		
Loss on sales of non-current assets	0	
Loss on retirement of non-current assets	48	
Loss on reduction of non-current assets	623	
Loss on valuation of investment securities	1	
Loss on liquidation of subsidiaries and associates	31	**705**
Income before income taxes		**17,863**
Income taxes - current	4,790	
Income taxes - deferred	891	**5,681**
Net income		**12,182**

- END -